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C O N F I D E N T I A L SECTION 01 OF 02 HONG KONG 002143

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NSC FOR DENNIS WILDER  
DEPARTMENT FOR EAP/CM, DRL

E.O. 12958: DECL: 08/16/2032  
TAGS: [PGOV](#) [ECON](#) [EFIN](#) [ELAB](#) [PREL](#) [PINR](#) [HK](#) [MC](#)  
SUBJECT: MACAU: CHARGES OF CORRUPTION LEVIED AGAINST CHIEF  
EXECUTIVE

REF: A. A. HONG KONG 000193  
[1](#)B. B. HONG KONG 001203  
[1](#)C. C. HONG KONG 001675

Classified By: Acting E/P Section Chief Jeff Zaiser; Reasons 1.4 (b, d)

[1](#)1. (SBU) Summary: According to the August 13 "South China Morning Post" newspaper, Macau Chief Executive (CE) Edmund Ho and his brothers collectively own more than US\$12 million worth of shares in Many Town Company Limited, which in turn is a shareholder in the gambling and property businesses of Macau casino mogul Stanley Ho. Failure to disclose such holdings would constitute a violation of Macau law, and the Macau Government Information Bureau has stated that CE Ho has complied with the law. Macau legislators Antonio Ng and Jose Coutinho have challenged CE Ho's statements and publicly pressured him for a more complete disclosure. On August 15, the CE Office released a statement on the Macau government website documenting that CE Ho, in response to media coverage and public pressure, had submitted a copy of the share transfer contract signed with his brother and related documents to the Court of Final Appeal. CE Ho also reiterated his commitment to integrity for all Macau officials. There have been no further calls for an investigation into the matter. End summary.

[1](#)2. (C) Comment: The hypersensitivity of the press and some legislators toward this story, following a perceived hesitation in response from CE Ho, serves as a reminder of deep public concern over clean governance, especially in the aftermath of the Ao Man Long corruption scandal (reftels). With the Macau government flush with cash from gaming revenues and also under some pressure for not adequately addressing social welfare concerns, the public will continue to show little patience for any lack of transparency and accountability by government officials. Furthermore, the extent to which these issues remain on the agenda for the planned October 1 demonstration, billed to be one of the largest in size and scope for Macau in recent years, will indicate the measure of public and legislative sentiment over revising relevant laws (in particular, Macau's Property Declaration Law of 2003). On the other hand, Ho undoubtedly has acquired political enemies during his long, high-profile business and public service career, one of whom may have planted or leaked this story to the press. End comment.

[1](#)3. (SBU) Hong Kong's "South China Morning Post" (SCMP) reported August 13 that Macau CE Edmund Ho and his brothers collectively own more than US\$12 million in Many Town Company Limited, which in turn is invested in Sociedade De Turismo e Diversoes de Macau (STDM) and Shun Tak Holdings, both owned by property tycoon and Macau casino mogul Stanley Ho. CE Ho and his brothers reportedly inherited their father's shares after his death in 1983. (Note: Their father, Ho Yin,

founder of Macau's Tai Fung Bank, rose to be one of the most influential figures in Macau from 1950 to the early 1980s, including service as chairman of the Macau Chinese General Chamber of Commerce. Ho Yin was well-connected with Portuguese governors in the enclave, as well as prominent officials in Beijing, including Mao Zedong. He was one of the first two residents of the enclave appointed to the National People's Congress Standing Committee. End note.) According to the SCMP report, Edmund Ho's alleged failure to disclose his holdings in Many Town would constitute a violation of Macau law.

14. (SBU) The Macau Government Information Bureau responded to a letter from the SCMP by stating (in lightly edited form): "the Chief Executive, Mr. Edmund Ho Hau Wah, inherited a certain number of shares in Many Town from his father, Mr. Ho Yin...and declared his assets in accordance with the Basic Law when he took office as the Chief Executive of the Macau Special Administrative Region in 1999..." (Note: Macau's Basic Law, Article 49, stipulates that the Chief Executive of the Macau SAR shall not engage in any activities for his or her personal gains. The Chief Executive, on assuming office, shall declare his or her assets to the President of the Court of Final Appeal." End note.)

15. (SBU) Separately, Stanley Ho's law firm, Herbert Smith, reportedly said: "To the best of our client's knowledge and belief, Mr. Edmund Ho does not currently hold any direct or indirect interests in STDM." Although CE Ho said he had transferred his shares to his brother, Ho Hau-wing, in 1995, Many Town's shareholder registry does not reflect the transfer. Legislators Antonio Ng and Jose Coutinho challenged CE Ho's statements and continue to publicly

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pressure the CE for a more complete disclosure. The outspoken legislators have also suggested that the issue of government transparency should be discussed in the Legislative Assembly.

16. (SBU) On August 15, the Office of the Chief Executive released a statement on the Macau government website that CE Ho, in response to media coverage and public pressure, had submitted a copy of the share transfer contract signed with his brother and related documents to the Court of Final Appeal. The statement claimed that CE Ho was still listed with the registry authority in Hong Kong because he had been one of the administrators of his father's estate. CE Ho reiterated his commitment to integrity for all Macau officials, and there have been no further calls for an investigation into the matter.  
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